



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
General Certificate of Education  
Advanced Subsidiary Level and Advanced Level

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**BUSINESS STUDIES**

**9707/11**

Paper 1 Short Answer and Essay

**October/November 2012**

**1 hour 15 minutes**

Additional Materials: Answer Booklet/Paper

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**READ THESE INSTRUCTIONS FIRST**

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

**Section A**

Answer **all** questions.

**Section B**

Answer **one** question.

You are advised to spend no more than 35 minutes on Section A.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [ ] at the end of each question or part question.

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This document consists of **2** printed pages.



**Section A (Short Answer)**

Answer **all** questions.

- 1 (a) Define the term 'limited liability'. [2]  
(b) Briefly explain **two** advantages (other than limited liability) a private limited company has over a sole trader. [3]
- 2 (a) State **two** marketing objectives for a business. [2]  
(b) Briefly explain **two** reasons why marketing objectives are important for a business. [3]
- 3 Explain why the efficient management of working capital is important for all businesses. [5]
- 4 (a) Define the term 'emotional intelligence'. [2]  
(b) Briefly explain **two** disadvantages of democratic leadership for an organisation. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Explain how a business could use financial rewards to motivate its workers. [8]  
(b) Discuss the importance of training and development in motivating the workforce in a school. [12]
- 6 Discuss the view that 'Just-in-Time' is the most effective way of managing the inventory of businesses. [20]
- 7 (a) Explain the importance of a USP (unique selling point/proposition) to a mobile (cell) phone manufacturer. [8]  
(b) Discuss how a retail store could improve customer relations. [12]

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